

TAB



THE INCOME TAX LAWS, RULES AND RULES OF COURT.

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Price 5 shillings.

THE STATUTE LAWS OF CYPRUS

No. 6 of 1941.

A LAW TO IMPOSE A TAX UPON INCOMES AND TO REGULATE THE
COLLECTION THEREOF.

W. D. BATTERSHILL,
Governor.

[18th April, 1941.]

BE it enacted by His Excellency the Governor and Commander-in-Chief of the Colony of Cyprus as follows :—

1. This Law may be cited as the Income Tax Law, 1941, Short title.
and shall be deemed to have come into operation on the 1st
day of January, 1941.

2. In this Law, unless the context otherwise requires,— Interpre-
“body of persons” means any body politic, corporate, tation.
or collegiate and any company, fraternity, fellowship, or
society of persons whether corporate or unincorporate ;

“chargeable income” means the aggregate amount of
the income of any person from the sources specified in section
5 of this Law remaining after allowing the appropriate
deductions and exemptions under this Law ;

“Commissioner” means the Commissioner of Income
Tax charged with the administration of this Law ;

“company” means any company incorporated or re-
gistered under any law in force in the Colony, and any com-
pany which, though incorporated or registered outside the
Colony, carries on business or has an office or place of business
therein ;

“guardian”, in relation to an infant, includes parent ;

“incapacitated person” means any married woman, infant,
lunatic, idiot or insane person ;

“Judge” means a Judge of the Supreme Court ;

“person” includes a body of persons ;

“tax” means the income tax imposed by this Law ;

“year of assessment” means the period of twelve months
commencing on the first day of January in each year.

ADMINISTRATION.

3. For the due administration of this Law the Governor Appoint-
may appoint a Commissioner and such other officers and persons ment of
as may be necessary and shall furnish such Commissioner with adminis-
a warrant of appointment under his hand. trative
authority.

4.—(1) Every person having any official duty or being em- Official
ployed in the administration of this Law shall regard and deal secrecy.
with all documents, information, returns, assessment lists,
and copies of such lists relating to the income or items of the
income of any person, as secret and confidential, and shall make
and subscribe a declaration in the form prescribed to that effect
before a Judge of a District Court.

(2) Every person having possession of or control over any document, information, returns, or assessment lists or copies of such lists relating to the income or items of income of any person, who at any time communicates or attempts to communicate such information or anything contained in such documents, returns, lists, or copies to any person—

(a) other than a person to whom he is authorized by the Governor to communicate it; or

(b) otherwise than for the purposes of this Law, shall be guilty of an offence against this Law.

(3) Where under any law in force in any part of His Majesty's Dominions or in any place under His Majesty's protection, provision is made for the allowance of relief from income tax in respect of the payment of income tax in the Colony, the obligation as to secrecy imposed by this section shall not prevent the disclosure to the authorized officers of the Government in that part of His Majesty's Dominions or in that place under His Majesty's protection of such facts as may be necessary to enable the proper relief to be given in cases where relief is claimed from income tax in the Colony or from income tax in that part or place aforesaid.

IMPOSITION OF INCOME TAX.

Charge of
income tax.

5. Income tax shall, subject to the provisions of this Law, be payable at the rate or rates specified hereafter for the year of assessment commencing on the 1st day of January, 1941, and for each subsequent year of assessment upon the income of any person accruing in, derived from, or received in, the Colony in respect of:—

- (a) gains or profits from any trade, business, profession or vocation, for whatever period of time such trade, business, profession or vocation may have been carried on or exercised;
- (b) gains or profits from any employment, including the estimated annual value of any quarters or board or residence or of any other allowance granted in respect of employment whether in money or otherwise;
- (c) the annual value of immovable property and improvements thereon used by or on behalf of the owner or used rent free by the occupier, for the purpose of residence or enjoyment, and not for the purpose of gain or profit, such annual value being deemed to be five per centum of the value of such immovable property as assessed for Immovable Property tax under the Immovable Property Tax Laws, 1932 to 1934;
- (d) dividends, interest or discounts;
- (e) any pension, charge or annuity;
- (f) rents, royalties, premiums and any other profits arising from property;

- (g) the value of any produce receivable in respect of the use of capital, property, seed or stock for the purpose of husbandry or any share of profits receivable in respect of such use.

BASIS OF ASSESSMENT.

6. Tax shall be charged, levied and collected for each year of assessment upon the chargeable income of any person for the year immediately preceding the year of assessment. Basis of assessment.

7. Where the Commissioner is satisfied that any person usually makes up the accounts of his trade or business on some day other than that immediately preceding any year of assessment, the Commissioner may permit the gains or profits of that trade or business to be computed for the purpose of this Law upon the income of the year terminating on that day in the year immediately preceding the year of assessment on which the accounts of the said trade or business have been usually made up : Special periods of assessment.

Provided that, where permission has been given for any year of assessment, tax shall be charged, levied and collected for each subsequent year upon the gains or profits for the full year terminating on the like date in the year immediately preceding the year of assessment, subject to any such adjustment as, in the opinion of the Commissioner, may be just and reasonable.

EXEMPTIONS.

8. There shall be exempt from the tax :—

- (a) the official emoluments received by the Officer administering the Government during the period in which he is administering the Government, and the official emoluments drawn by the Governor while on leave ; Exemptions.
- (b) the income of any local authority in so far as such income is not derived from a trade or business carried on by the local authority ;
- (c) the income of any statutory or registered building, friendly or co-operative society ;
- (d) the income of any religious, charitable or educational institution of a public character not derived from a trade or business carried on by such institution, in so far as such income was, during the year immediately preceding the year of assessment, applied to charitable purposes ;
- (e) the emoluments payable to members of the permanent consular services of foreign countries in respect of their offices or in respect of services rendered by them in their official capacity or to permanent official agents of such countries who are not British subjects and who are not employed in any trade, business or other undertaking carried on for the purpose of profit ;
- (f) the emoluments payable from Imperial funds to members of His Majesty's Forces and to persons in the

permanent service of the Imperial Government in the Colony in respect of their offices under the Imperial Government;

- (g) wound and disability pensions granted to members of His Majesty's Forces;
- (h) gratuities granted to members of His Majesty's Forces in respect of services rendered during any war;
- (i) any lump sum received by way of retiring gratuity, commutation of pension, death gratuity or as consolidated compensation for death or injuries;
- (j) the income arising from a scholarship, exhibition, bursary or any other similar educational endowment held by a person receiving full-time instruction at a university, college, school or other educational establishment;
- (k) the income of any co-operative savings bank:

Provided that nothing in this section shall be construed to exempt in the hands of the recipients any dividends, interests, bonuses, salaries, or wages paid or credited to any person wholly or in part out of the income so exempted.

Government
loans.

9. The Governor may by proclamation published in the *Gazette* provide that the interest payable on any loan charged on the public revenue of the Colony shall be exempted from the tax, either generally or only in respect of interest payable to persons not resident in the Colony; and such interest shall, as from the date and to the extent specified in the proclamation, be exempt accordingly.

ASCERTAINMENT OF CHARGEABLE INCOME.

Deductions
allowed.

10.—(1) For the purpose of ascertaining the chargeable income of any person, there shall be deducted all outgoings and expenses wholly and exclusively incurred during the year immediately preceding the year of assessment by such person in the production of the income, including—

- (a) any sum expended for repair of premises, plant and machinery employed in acquiring the income or for the renewal, repair, or alteration of any implement, utensil or article so employed;
- (b) where any person engaged in any trade, business, profession or vocation has expended any sum in replacing any plant or machinery which was used or employed in such trade, business, profession or vocation, and which has become obsolete, an amount equivalent to the cost of the machinery replaced, after deducting from that cost such sum as shall represent the total depreciation which has occurred by reason of exhaustion or wear and tear since the date of purchase of such plant and machinery and any sum realized by the sale thereof;
- (c) bad debts incurred in any trade, business, profession or vocation proved to the satisfaction of the Commissioner to have become bad during the year imme-

diately preceding the year of assessment notwithstanding that such bad debts were due and payable prior to the commencement of the said year: Provided that all sums recovered during the said year on account of amounts previously written off or allowed in respect of bad debts shall, for the purposes of this Law, be treated as receipts of the trade, business, profession or vocation for that year;

(d) such other deductions as may be prescribed by any rule made under this Law.

(2) The Governor in Council may, by rules, provide for the method of calculating or estimating the deductions allowed or prescribed under this section.

11. In ascertaining the chargeable income of any person engaged in a trade, business, profession or vocation, there shall be allowed as a deduction a reasonable amount for the exhaustion and wear and tear of any plant and machinery, and any buildings including employees' dwellings, arising out of the use and employment of such property in connection with the trade, business, profession or vocation during the year immediately preceding the year of assessment.

Allowance
for wear
and tear.

12. For the purpose of ascertaining the chargeable income of any person, no deduction shall be allowed in respect of—

Deductions
not to be
allowed.

- (a) domestic or private expenses including the cost of travelling between residence and place of business;
- (b) the rent of any premises owned and used in connection with the carrying on by him of his trade, business, profession or vocation;
- (c) any remuneration, or interest on capital, paid or credited to himself;
- (d) the cost price of any goods taken out of the business for the use of the proprietor or any partner or their families;
- (e) any disbursements or expenses not being money wholly and exclusively laid out or expended for the purpose of acquiring the income;
- (f) any capital withdrawn or any sum employed or intended to be employed as capital;
- (g) the cost of any improvements;
- (h) any sum recoverable under an insurance or contract of indemnity;
- (i) rent of or cost of repairs to any premises or part of premises not paid or incurred for the purpose of producing the income;
- (j) any amounts paid or payable in respect of the United Kingdom income tax or super-tax or Cyprus income tax or Empire income tax as defined by this Law;
- (k) any payments of a voluntary nature.

13.—(1) Where the amount of a loss incurred in the year preceding any year of assessment in any trade, business, profession or vocation carried on by any person either solely or in

Allowance
of trade
losses.

partnership is such that it cannot be wholly set off against his income from other sources for the same year, the amount of such loss shall, to the extent to which it is not allowed against his income from other sources for the same year, be carried forward, and shall, subject as is hereinafter provided, be set off against what would otherwise have been his chargeable income for the next six years in succession :

Provided that the amount of any such loss allowed to be set off in computing the chargeable income of any year shall not be set off in computing the chargeable income of any other year.

(2) Nothing in this section contained shall be construed as permitting the set-off of any loss incurred in any trade, business, profession or vocation which is carried on outside the Colony.

Wife's
income.

14. The income of a married woman living with her husband shall, for the purposes of this Law, be deemed to be the income of the husband, and shall be charged in the name of the husband and not in her name nor in that of her trustee :

Provided that that part of the total amount of tax charged upon the husband which bears the same proportion to that total amount as the amount of the income of the wife bore to the amount of the total income of the husband and wife may, if necessary, be collected from the wife, notwithstanding that no assessment has been made upon her.

INSURANCE AND SHIPPING COMPANIES.

Special
provisions
as to certain
companies
and
businesses.
Insurance
companies
other than
life insu-
rance
companies.

15. Notwithstanding anything to the contrary contained in this Law, it is hereby provided that :—

(1) In the case of an Insurance Company (other than a Life Insurance Company) where the gains or profits accrue in part outside the Colony, the gains or profits on which tax is payable shall be ascertained by taking the gross premiums and interest and other income received or receivable in the Colony (less any premiums returned to the insured and premiums paid on re-insurances), and deducting from the balance so arrived at a reserve for unexpired risks at the percentage adopted by the company in relation to its operations as a whole for such risks at the end of the year preceding the year of assessment, and adding thereto a reserve similarly calculated for unexpired risks outstanding at the commencement of the year preceding the year of assessment, and from the net amount so arrived at deducting the actual losses (less the amount recovered in respect thereof under re-insurance), the agency expenses in the Colony, and a fair proportion of the expenses of the head office of the company.

Life
insurance
companies.

(2) In the case of a Life Insurance Company, whether mutual or proprietary, the gains or profits on which tax is payable shall be the investment income less the management expenses (including commission) :

Provided that where such a company received premiums outside the Colony the gains or profits shall be the same proportion of the total investment income of the company as the premiums received in the Colony bore to the total premiums received after deducting from the amount so arrived at the agency expenses in the Colony and a fair proportion of the expenses of the head office of the company.

- (3)—(a) In the case of a shipowner, the gains or profits of his business as shipowner shall, if he produces or causes to be produced to the Commissioner the certificate mentioned in paragraph (b) of this sub-section, be taken to be a sum bearing the same ratio to the sums payable in respect of fares or freight for passengers, goods or mails shipped in the Colony as his total profits for the relevant accounting period shown by that certificate bear to the gross earnings for that period;
- (b) the certificate shall be a certificate by the Taxing Authority of the place in which the principal place of business of the shipowner is situated and shall state—
- (i) that the shipowner has furnished to the satisfaction of that Authority an account of the whole of his business; and
 - (ii) the ratio of the gains or profits for the relevant accounting period as computed according to the Income Tax Law of that place (after deducting interest on any money borrowed and employed in acquiring the gains and profits) to the gross earnings of the shipowner's fleet or vessel for that period;
- (c) if the gains or profits of a shipowner have, for the purpose of assessment in the Colony under this Law, been computed on any basis other than the ratio of the gains or profits shown by a certificate as aforesaid, and an assessment has been made accordingly, the shipowner shall, upon production of such certificate at any time within two years from the end of the year of assessment, be entitled to such adjustment as may be necessary to give effect to the said certificate and to have any tax paid in excess refunded;
- (d) in this sub-section, the expression "shipowner" means an owner or charterer of ships whose principal place of business is situated outside the Colony, but in a part of His Majesty's Dominions or in territory under His Majesty's protection.

16.—(1) Gains or profits arising from the business of shipping carried on by a person not resident in the Colony shall be exempted from the tax provided that the Governor is satisfied that an equivalent exemption from income tax is granted by the country in which such person is resident to persons resident in the Colony and, if that country is a country other than the United Kingdom, to persons resident in the United Kingdom.

Shipping companies.

Special exemption as to shipping companies where reciprocal concessions prevail.

(2) In this section the expression "business of shipping" means the business carried on by an owner of ships, and for the purposes of this definition the expression "owner" includes any charterer.

(3) For the purposes of this section a company shall be deemed to be resident in that country only in which the central management and control of its business is situate.

TEMPORARY RESIDENTS.

Temporary residents.

17. Tax shall not be payable in respect of any income arising out of the Colony and received therein by any person who is in the Colony for some temporary purpose only and not with any intent to establish his residence therein and who has not actually resided in the Colony at one or more times for a period equal in the whole to six months in the year preceding the year of assessment.

RATE OF TAX.

Rates as per Schedule.

18. There shall be levied and paid upon chargeable incomes tax at the rates and in accordance with the provisions set forth in the Schedule to this Law.

COMPANY DIVIDENDS.

Deduction of tax from dividends of companies.

19.—(1) Every company which is registered in the Colony shall be entitled to deduct from the amount of any dividend paid to any shareholder tax at the rate paid or payable by the company (as reduced by any relief granted under sections 40 and 41 of this Law) on the income out of which such dividend is paid :

Provided that where tax is not paid or payable by the company on the whole income out of which the dividend is paid, the deduction shall be restricted to that portion of the dividend which is paid out of income on which tax is paid or payable by the company.

(2) Every such company shall, upon payment of a dividend whether tax is deducted therefrom or not, furnish each shareholder with a certificate setting forth the amount of the dividend paid to that shareholder and the amount of tax which the company has deducted or is entitled to deduct in respect of that dividend.

Setting off tax so deducted.

20. Any tax which a company has deducted or is entitled to deduct under the last preceding section from a dividend paid to a shareholder, and any tax applicable to the share to which any person is entitled in the income of a body of persons assessed under this Law, shall, when such dividend or share is included in the chargeable income of such shareholder or person, be set off for the purposes of collection against the tax charged on that chargeable income.

TRUSTEES, AGENT, ETC.

Chargeability of trustees, etc.

21. A receiver, trustee, guardian, curator or committee, having the direction, control or management of any property or concern on behalf of any person, shall be chargeable to tax in respect of income derived from such property or concern in

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like manner and to the like amount as such person would be chargeable if he had received such income, and every such receiver, trustee, guardian, curator or committee shall be answerable for doing all matters and things required to be done under this Law for the purpose of assessment and payment of tax :

Provided that nothing in this section shall affect the liability of any person represented by any such receiver, trustee, guardian, curator or committee to be himself charged to tax in his own name.

22.—(1) A person not resident in the Colony (hereinafter in this section referred to as “ a non-resident person ”), whether a British subject or not, shall be assessable and chargeable in the name of his trustee, guardian, curator or committee, or of any attorney, factor, agent, receiver, branch or manager, whether such attorney, factor, agent, receiver, branch or manager has the receipt of the income or not, in like manner and to the like amount as such non-resident person would be assessed and charged if he were resident in the Colony and in the actual receipt of such income.

Charge-ability of agent of person residing out of the Colony.

A non-resident person shall be assessable and chargeable in respect of any income arising, whether directly or indirectly, through or from any attorneyship, factorship, agency, receivership, branch or management, and shall be so assessable and chargeable in the name of the attorney, factor, agent, receiver, branch or manager.

(2) Where a non-resident person, not being a British subject or a firm or company whose principal place of business is situated in His Majesty's Dominions or in territory under His Majesty's protection, or a branch thereof, carries on business with a resident person, and it appears to the Commissioner that owing to the close connection between the resident person and the non-resident person, and to the substantial control exercised by the non-resident person over the resident person, the course of business between those persons can be so arranged and is so arranged that the business done by the resident person in pursuance of his connection with the non-resident person produces to the resident person either no profits or less than the ordinary profits which might be expected to arise from that business, the non-resident person shall be assessable and chargeable to tax in the name of the resident person as if the resident person were an agent of the non-resident person.

(3) Where it appears to the Commissioner by whom the assessment is made, or to the Judge by whom an appeal is heard, that the true amount of the gains or profits of any non-resident person chargeable with tax in the name of a resident person cannot in any case be readily ascertained, the Commissioner or Judge may, if he thinks fit, assess and charge the non-resident person on a fair and reasonable percentage of the turnover of the business done by the non-resident person through

or with the resident person in whose name he is chargeable as aforesaid, and in such case the provisions of this Law relating to the delivery of returns or particulars by persons acting on behalf of others shall extend so as to require returns or particulars to be furnished by the resident person of the business so done by the non-resident person through or with the resident person, in the same manner as returns or particulars are to be delivered by persons acting for incapacitated or non-resident persons of income to be charged :

Provided that the amount of the percentage shall in each case be determined having regard to the nature of the business, and shall, when determined by the Commissioner be subject to an appeal to a Judge as provided by section 36 of this Law.

(4) Nothing in this section shall render a non-resident person chargeable in the name of a broker or general commission agent or other agent where such broker, general commission agent, or agent is not an authorized person carrying on the regular agency of the non-resident person, or a person chargeable as if he were an agent in pursuance of sub-sections (2) and (3) of this section, in respect of gains or profits arising from sales or transactions carried out through such broker or agent.

(5) The fact that a non-resident person executes sales or carries out transactions with other non-residents in circumstances which would make him chargeable in pursuance of sub-sections (2) and (3) of this section in the name of a resident person shall not of itself make him chargeable in respect of gains or profits arising from those sales or transactions.

(6) Where a non-resident person is chargeable to tax in the name of any attorney, factor, agent, receiver, branch or manager in respect of any gains or profits arising from the sale of goods or produce manufactured or produced out of the Colony by the non-resident person, the person in whose name the non-resident person is so chargeable may, if he thinks fit, apply to the Commissioner or, in the case of an appeal, to the Judge, to have the assessment to tax in respect of those gains or profits made or amended on the basis of the profits which might reasonably be expected to have been earned by a merchant or, where the goods are retailed by or on behalf of the manufacturer or producer, by a retailer of the goods sold, who had bought from the manufacturer or producer direct, and, on proof to the satisfaction of the Commissioner or Judge of the amount of the profits on the basis aforesaid, the assessment shall be made or amended accordingly.

Acts, etc.,
to be done
by trustees,
etc.

23. The person who is chargeable in respect of an incapacitated person, or in whose name a non-resident is chargeable, shall be answerable for all matters required to be done by virtue of this Law for the assessment of the income of any person for whom he acts and for the payment of the tax chargeable thereon.

Lists to be
prepared
by repre-
sentative
or agent.

24.—(1) Every person who, in whatever capacity, is in receipt of any money or value being income arising from any of the sources mentioned in this Law of or belonging to any other person who is chargeable in respect thereof, or who would

be so chargeable if he were resident in the Colony and not an incapacitated person, shall, whenever required to do so by any notice from the Commissioner, prepare and deliver within the period mentioned in such notice a list in a form approved by the Commissioner, signed by him, containing—

- (a) a true and correct statement of all such income;
- (b) the name and address of every person to whom the same shall belong.

(2) Every person who refuses, fails or neglects to comply with the provisions of this section shall be guilty of an offence against this Law.

25. The manager or other principal officer of every corporate body of persons shall be answerable for doing all such acts, matters and things as are required to be done by virtue of this Law for the assessment of such body and for payment of the tax.

Manager of corporate bodies of persons.

26. Any resident, agent, trustee, mortgagor or other person who transmits rent, interest or income derived from any other source within the Colony, to a non-resident person shall be deemed to be the agent of such non-resident person and shall be assessed and shall pay the tax at the appropriate rate set out in the Schedule to this Law for companies and all other bodies corporate or unincorporate unless the non-resident person by delivering a return of his total income derived from the Colony shall establish his right to be charged at the rates provided in the Schedule for individuals.

Agents, etc., of non-residents to be assessed.

27. Every person answerable under this Law for the payment of tax on behalf of another person may retain out of any money coming to his hands on behalf of such other person so much thereof as shall be sufficient to pay such tax, and shall be and is hereby indemnified against any person whatsoever for all payments made by him in pursuance and by virtue of this Law.

Indemnification of representative.

28. When any person dies during the year preceding the year of assessment, and such person would, but for his death, have been chargeable to tax for the year of assessment, or when any person dies during the year of assessment or within two years after the expiration thereof, and no assessment has been made upon him for that year, the legal representative of such person shall be liable for and charged with the payment of the tax with which such person would have been chargeable, and shall be answerable for doing all such acts, matters and things as such person, if he were alive, would be liable to do under this Law :

Deceased persons.

Provided that in the case of a person dying during the year preceding the year of assessment, if his legal representative distributes his estate before the commencement of the year of assessment, such legal representative shall pay the tax at the rate or rates in force at the date of distribution of the estate.

Notices of
chargeability
and returns.

RETURNS : BY WHOM TO BE MADE.

29.—(1) It shall be the duty of every person chargeable with tax to give notice to the Commissioner by the prescribed date in any year of assessment that he is so chargeable.

(2) The Commissioner may by notice in writing require any person to furnish him within the time stated in such notice with a return of income and such particulars as may be required for the purposes of this Law with respect to the income for which such person is chargeable.

(3) It shall be the duty of every employer who by the provisions of sub-section (4) of this section is liable to render a return of persons employed by him, to give notice to the Commissioner by the prescribed date that he is so liable.

(4) Every employer when required to do so by notice from the Commissioner shall within the time limited by the notice, prepare and deliver for any year a return containing—

(a) the names and places of residence of all persons employed by him; and

(b) the remuneration payable to those persons in respect of that employment, except persons who are not employed in any other employment and whose remuneration in the employment for the year does not exceed one hundred and fifty pounds :

Provided that an employer shall not be liable to any penalty for omitting from such return the name or place of residence of any person employed by him and not employed in any other employment if it appears to the Commissioner, on enquiry, that such person has no chargeable income.

The expression "remuneration" in this sub-section includes not only moneys paid or payable as salary, wages, overtime, bonus, gratuity, share of profits, perquisite, fee, commission and pension, but also the annual value of any residence, quarters, board and lodging or any other allowance granted in respect of employment whether in money or otherwise.

(5) Where an employer is a body of persons the manager or other principal officer shall be deemed to be the employer for the purposes of this section, and any director of a company, or person engaged in the management of a company, shall be deemed to be a person employed.

(6) The Commissioner may require any officer in the employment of the Government or any municipality or other public body to supply such particulars as may be required for the purposes of this Law and which may be in the possession of such officer, provided that no such officer shall by virtue of this sub-section be obliged to disclose any particulars as to which he is under any statutory obligation to observe secrecy.

(7) Returns required under the provisions of this section shall be in a form approved by the Commissioner.

(8) Any person who refuses, fails or neglects to give such notice of chargeability or liability to render a return of persons employed or to furnish any return or particulars required under the provisions of this section shall be guilty of an offence against this Law.

PARTNERSHIPS.

30. Where a trade, business, profession or vocation is carried on by two or more persons jointly—

- (1) the income of any partner from the partnership shall be deemed to be the share to which he was entitled during the year preceding the year of assessment in the income of the partnership (such income being ascertained in accordance with the provisions of this Law) and shall be included in the return of income to be made by such partner under the provisions of this Law ;
- (2)—(a) the precedent partner, that is to say, the partner who of the partners resident in the Colony—
 - (i) is first named in the agreement of partnership, or
 - (ii) if there be no agreement, is named singly or with precedence to the other partners in the usual name of the firm, or
 - (iii) is the precedent acting partner, if the partner named with precedence is not an acting partner, shall make and deliver a return of the income of the partnership for any year, such income being ascertained in accordance with the provisions of this Law, and shall declare therein the names and addresses of the other partners in the firm together with the amount of the share of the said income to which each partner was entitled for that year ;
- (b) where no partner is resident in the Colony, the return shall be made and delivered by the attorney, agent, manager or factor of the firm resident in the Colony ;
- (3) any person who refuses, fails or neglects to deliver any return required under the provisions of this section shall be guilty of an offence against this Law.

ASSESSMENTS.

31.—(1) The Commissioner shall proceed to assess every person chargeable with the tax as soon as may be after the expiration of the time allowed to such person for the delivery of his return. Commissioner to make assessments.

(2) Where a person has delivered a return, the Commissioner may—

- (a) accept the return and make an assessment accordingly; or
- (b) refuse to accept the return and, to the best of his judgment, determine the amount of the chargeable income of the person and assess him accordingly.

(3) Where a person has not delivered a return and the Commissioner is of the opinion that such person is liable to pay tax, he may, according to the best of his judgment, determine the amount of the chargeable income of such person and assess him accordingly, but such assessment shall not affect any liability otherwise incurred by such person by reason of his refusal, failure or neglect to deliver a return.

Committees
to whom
Commis-
sioner may
refer.

32. The Governor may appoint a committee in each District in the Colony consisting of not more than three persons to whom the Commissioner may refer any matter relating to any return or the assessment of any person for assistance and advice.

Appoint-
ment of
agent in
the United
Kingdom.

33. For the purpose of facilitating the assessment of the income of persons residing in the United Kingdom, the Governor may appoint an agent in the United Kingdom who shall make enquiries on behalf of the Commissioner in respect of any such person as may apply to be dealt with through such agent, and shall ascertain and report to the Commissioner the amount of the chargeable income of such person in accordance with this Law, and shall forward to the Commissioner the accounts and computations upon which his report is based. The Commissioner, on receipt of the report, shall enter the amount reported in the assessment list :

Provided that if it appears to the Commissioner that any error has occurred in the accounts or computation he may refer the report back for further consideration :

Provided also that nothing in this section shall prevent the appeal to a Judge in the Colony conferred by section 36 of this Law.

ASSESSMENT LISTS.

Lists of
persons
assessed.

34.—(1) After completing his assessment, the Commissioner shall prepare lists of persons liable to tax.

(2) Such lists (in this Law referred to as “the assessment lists”) shall contain the names and addresses of the persons assessed to tax, the amount of the chargeable income of each person, the amount of tax payable by him, and such other particulars as may be necessary.

NOTICES OF ASSESSMENTS.

Notice to be
served on
persons
assessed.

35.—(1) The Commissioner shall cause to be served personally on or sent by registered post to each person whose name appears on the assessment lists a notice addressed to him at his usual place of abode or business stating the amount of his chargeable income and the amount of tax payable by him, and informing him of his rights under the next sub-section.

Objections
to assess-
ment.

(2) If any person disputes the assessment he may apply to the Commissioner, by notice of objection in writing, to review and to revise the assessment made upon him. Such application shall state precisely the grounds of his objections to the assessment and shall be made within fifteen days from the date of the service of the notice of assessment :

Provided that the Commissioner, upon being satisfied that owing to absence from the Colony, sickness or other reasonable cause, the person disputing the assessment was prevented from making the application within such period, shall extend the period as may be reasonable in the circumstances.

(3) On receipt of the notice of objection referred to in sub-section (2) of this section, the Commissioner may require the person giving the notice of objection to furnish such particulars as the Commissioner may deem necessary with respect to the income of the person assessed, and to produce all accounts, books or other documents in his custody or under his control relating to such income and may summon any person, who, he thinks, is able to give evidence respecting the assessment to attend before him and may examine such person (except the clerk, agent, servant or other person confidentially employed in the affairs of the person to be charged) on oath or otherwise.

(4) In the event of any person assessed, who has objected to an assessment made upon him, agreeing with the Commissioner as to the amount at which he is liable to be assessed, the assessment shall be amended accordingly, and notice of the tax payable shall be served upon such person :

Provided always that in the event of any person who, under sub-section (2) of this section, has applied to the Commissioner for a revision of the assessment made upon him failing to agree with the Commissioner as to the amount at which he is liable to be assessed, his right to appeal to a Judge, under the provisions of this Law, against the assessment made upon him, shall remain unimpaired.

APPEALS.

36.—(1) Any person who, being aggrieved by an assessment made upon him, has failed to agree with the Commissioner in the manner provided in sub-section (4) of the last preceding section, may appeal against the assessment to a Judge in Chambers upon giving notice in writing to the Commissioner within fifteen days from the date of the refusal of the Commissioner to amend the assessment as desired :

Appeals
against
assessments.

Provided that, notwithstanding the lapse of such period of fifteen days, any person may appeal against such assessment if he shows to the satisfaction of a Judge in Chambers that, owing to absence from the Colony, sickness or other reasonable cause, he was prevented from giving notice of appeal within such period, and that there has been no unreasonable delay on his part.

(2) Every person appealing shall attend before the Judge in person on the day and at the time fixed for the hearing of his appeal :

Provided always that if it be proved to the satisfaction of the Judge that, owing to absence from the Colony, sickness or other reasonable cause, any person is prevented from attending in person at the hearing of his appeal on the day and at the time fixed for that purpose, the Judge may postpone the hearing of the appeal for such reasonable time as he thinks necessary for the attendance of the appellant, or he may admit the appeal to be made by any agent, clerk or servant of the appellant, on his behalf.

(3) Seven clear days' notice shall, unless rules made hereunder otherwise provide, be given to the Commissioner of the date fixed for the hearing of the appeal.

(4) The onus of proving that the assessment complained of is excessive shall be on the appellant.

(5) If the Judge is satisfied that the appellant is overcharged he may reduce the amount of the assessment by the amount of the overcharge, and if he is satisfied that the appellant is undercharged he may increase the amount of the assessment by the amount of the undercharge.

(6) Notice of the amount of tax payable under the assessment as determined by the Judge shall be served by the Commissioner upon the appellant.

(7) All appeals shall be heard in camera, unless the Judge shall, on the application of the appellant, otherwise direct.

(8) The costs of the appeal shall be in the discretion of the Judge hearing the appeal and shall be a sum fixed by the Judge.

(9) The decision of the Judge hearing the appeal shall be final:

Provided that the Judge hearing such appeal may, if he so desires, and shall, on the application of the appellant or the Commissioner, state a case on a question of law for the opinion of the Supreme Court, and such case stated shall be heard and determined, by way of appeal, by two Judges of the Supreme Court excluding the Judge stating such case.

(10) The Chief Justice may make rules governing such appeals, the fees payable thereon, and for the method of tendering evidence and appointing places for the hearing of such appeals and prescribing the procedure to be followed on a case being stated.

(11) Notwithstanding anything contained in section 45 of this Law, if the Judge is satisfied that tax in accordance with his decision upon the appeal may not be recovered, the Judge may require the appellant forthwith to furnish such security for payment of the tax, if any, which may become payable by the appellant as may seem to the Judge to be proper. If such security is not given the tax assessed shall become payable forthwith and shall be recoverable forthwith by suit in the name of the Commissioner, with full costs of suit from the person charged therewith as well as by the means provided in section 47 of this Law.

ERRORS IN ASSESSMENTS AND NOTICES.

Assess-
ments, etc.,
not void by
reason of
errors
therein in
names and
descriptions.

37.—(1) No assessment, warrant or other proceeding purporting to be made in accordance with the provisions of this Law shall be quashed, or deemed to be void or voidable, for want of form, or be affected by reason of a mistake, defect or omission therein, if the same is in substance and effect in conformity with or according to the intent and meaning of this Law or any Law amending the same, and if the person assessed or intended to be assessed or affected thereby is designated therein according to common intent and understanding.

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(2) An assessment shall not be impeached or affected—

(a) by reason of a mistake therein as to—

- (i) the name or surname of a person liable, or
- (ii) the description of any income, or
- (iii) the amount of tax charged;

(b) by reason of any variance between the assessment and the notice thereof:

Provided that in cases of assessment, the notice thereof shall be duly served on the person intended to be charged, and such notice shall contain, in substance and effect, the particulars on which the assessment is made.

ADDITIONAL ASSESSMENTS.

38. Where it appears to the Commissioner that any person liable to tax has not been assessed, or has been assessed at a less amount than that which ought to have been charged, the Commissioner may, within the year of assessment or within three years after the expiration thereof, assess such person at such amount or additional amount as according to his judgment ought to have been charged, and the provisions of this Law as to notice of assessment, appeal and other proceedings under this Law shall apply to such assessment or additional assessment and to the tax charged thereunder.

Omissions and under-charges may be rectified within three years.

REPAYMENT OF TAX.

39.—(1) If it be proved to the satisfaction of the Commissioner that any person for any year of assessment has paid tax, by deduction or otherwise, in excess of the amount with which he is properly chargeable, such person shall be entitled to have the amount so paid in excess refunded. Every claim for repayment under this section shall be made within three years from the end of the year of assessment to which the claim relates. The Commissioner shall give a certificate of the amount to be repaid and upon the receipt of the certificate the Treasurer shall cause repayment to be made in conformity therewith.

Circumstances under which repayment may be made.

(2) Except as regards sums repayable on an objection or appeal, no repayment shall be made to any person in respect of any year of assessment as regards which that person has failed or neglected to deliver a return or has been assessed in a sum in excess of the amount contained in his return, provided that he has received notice of the assessment made upon him for that year, unless it is proved to the satisfaction of the Commissioner that such failure or neglect to deliver a true and correct return did not proceed from any fraud or wilful act or omission on the part of that person.

RELIEF IN CASE OF DOUBLE TAXATION.

40.—(1) Any person who has paid, by deduction or otherwise, or is liable to pay, tax under this Law for any year of assessment on any part of his income and who proves to the satisfaction of the Commissioner that he has paid, by deduction or otherwise, or is liable to pay, income tax in the United Kingdom for that year in respect of the same part of his income, shall be entitled

Relief in respect of United Kingdom income tax.

to relief from tax under this Law paid or payable by him on that part of his income at a rate equal to the amount by which the rate of tax appropriate to his case under this Law exceeds half the appropriate rate of United Kingdom tax. If, however, the rate of tax appropriate to his case under this Law exceeds the appropriate rate of United Kingdom tax he shall be entitled only to relief at a rate equal to half the appropriate rate of United Kingdom tax.

(2) For the purposes of this section, a certificate issued by or on behalf of the Commissioners of Inland Revenue in the United Kingdom shall be receivable in evidence to show what is the appropriate rate of United Kingdom tax in any particular case.

(3) For the purposes of this section, the expression "rate of tax" when applied to tax paid or payable under this Law, means the rate determined by dividing the amount of the tax paid or payable for the year (before the deduction of the relief granted under this section) by the amount of the income in respect of which the tax paid or payable under this Law has been charged for that year, except that where the income which is the subject of a claim to relief under this section is computed by reference to the provisions of section 22 of this Law on an amount other than the ascertained amount of the actual profits, the rate of tax shall be determined by the Commissioner.

Relief in
respect of
Empire
income tax.

41.—(1) If any person resident in the Colony who has paid, by deduction or otherwise, or is liable to pay tax, under this Law for any year of assessment on any part of his income, proves to the satisfaction of the Commissioner that he has paid, by deduction or otherwise, or is liable to pay, Empire income tax for that year in respect of the same part of his income, he shall be entitled to relief from tax in the Colony paid or payable by him on that part of his income at a rate thereon to be determined as follows :—

(a) if the Empire rate of tax does not exceed one-half of the rate of tax appropriate to his case under this Law in the Colony, the rate at which relief is to be given shall be the Empire rate of tax ;

(b) in any other case the rate at which relief is to be given shall be half the rate of tax appropriate to his case under this Law.

(2) If any person not resident in the Colony who has paid by deduction or otherwise, or is liable to pay, tax under this Law for any year of assessment on any part of his income, proves to the satisfaction of the Commissioner that he has paid, by deduction or otherwise, or is liable to pay, Empire income tax for that year of assessment in respect of the same part of his income, he shall be entitled to relief from tax paid or payable by him under this Law on that part of his income at a rate thereon to be determined as follows :—

(a) if the Empire rate of tax appropriate to his case does not exceed the rate of tax appropriate to his case under this Law, the rate at which relief is to be given shall be one-half of the Empire rate of tax ;

(b) if the Empire rate of tax appropriate to his case exceeds the rate of tax appropriate to his case under this Law, the rate at which relief is to be given shall be equal to the amount by which the rate of tax appropriate to his case under this Law exceeds one-half of the Empire rate of tax.

(3) For the purposes of this section, the expression " Empire income tax " means any income tax charged under any law in force in any part of His Majesty's Dominions or in any place under His Majesty's protection (other than the United Kingdom or the Colony), provided that the legislature of that part or place has provided for relief in respect of tax charged on income both in that part or place and the Colony in a manner similar to that provided in this section.

(4) For the purposes of this section, the rate of tax under this Law shall be computed in the manner provided by subsection (3) of the last preceding section, and the Empire rate of tax shall be computed in a similar manner.

(5) Where a person is, for any year of assessment, resident both in the Colony and in a part or place in which Empire income tax is charged, he shall, for the purposes of this section, be deemed to be resident where, during that year, he resides for the longer period.

42. A claim for relief under section 40 or section 41 of this Law shall be made within two years from the end of the year of assessment to which it relates :

Period within which a claim may be made for relief from double taxation.

Provided that such a claim, though not made within the said period of two years, shall be admitted if made within six years from the end of the said year of assessment and within six months from the date upon which the relevant amount of United Kingdom income tax or Empire income tax, as the case may be, has been ascertained.

GENERAL POWERS OF COMMISSIONER.

43.—(1) The Commissioner may, by notice in writing, require any person to furnish him with such particulars as he may require for the purposes of this Law with respect to the income of such person ; or to attend before him and give evidence with respect to his income and to produce any accounts, books or other documents in his custody or under his control relating to such income.

Power of Commissioner to require particulars to be furnished.

(2) Any person who, without lawful excuse, fails or neglects to furnish such particulars or to attend and produce such accounts, books or other documents or who refuses to give evidence with respect to his income or to answer any lawful question touching the matters under consideration, or knowingly or wilfully gives any false evidence under this section, shall be guilty of an offence against this Law.

Certain undistributed profits to be treated as distributed and certain transactions and dispositions to be disregarded.

44.—(1) Where it appears to the Commissioner that with a view to the avoidance or reduction of tax a company controlled by not more than five persons has not distributed to its shareholders as dividend profits made in any period ending after the 31st December, 1939, which could be distributed without detriment to the company's existing business, he may treat any such undistributed profits as distributed and the persons concerned shall be assessed accordingly.

(2) Where the Commissioner is of opinion that any transaction which reduces or would reduce the amount of tax payable by any person is artificial or fictitious or that any disposition is not in fact given effect to, he may disregard any such transaction or disposition and the persons concerned shall be assessable accordingly.

(3) Nothing in this section shall prevent the decision of the Commissioner in the exercise of any discretion given to him by this section from being questioned in an appeal against an assessment in accordance with section 36 of this Law.

(4) In this section—

(a) "disposition" includes any trust, grant, covenant, agreement or arrangement;

(b) "company controlled by not more than five persons" means a company in which—

(i) the number of shareholders is not more than fifty; and

(ii) more than half the total shares issued are held by not more than five persons, their wives, or minor children, either directly or through nominees.

COLLECTION AND RECOVERY OF TAX.

Extracts from lists to be sent to Comptroller.

Procedure in cases where objection or appeal is pending.

45.—(1) The Commissioner shall from time to time forward to the Comptroller certified extracts from the assessment lists containing the names and addresses of the persons assessed together with the amount of tax payable by each person.

(2) Collection of tax shall in cases where notice of an objection on an appeal has been given remain in abeyance until such objection or appeal is determined:

Provided that the Comptroller may in any such case enforce payment of that portion of the tax (if any) which is not in dispute.

Time within which payment is to be made.

46. Tax shall be payable by such date or dates as may be prescribed.

Penalty for non-payment of tax; and enforcement of payment.

47. If any tax is not paid by the prescribed date—

(a) a sum equal to five per centum of the amount of the tax payable shall be added thereto, and the provisions of this Law relating to the collection and recovery of tax shall apply to the collection and recovery of such sum;

- (b) the Comptroller may proceed to enforce payment under the Law for the time being in force in the Colony relating to the collection of tax or as hereafter provided.

48. Where payment of tax in whole or in part has been held over pending the result of a notice of objection or of an appeal, the tax outstanding under the assessment as determined on such objection or appeal, as the case may be, shall be payable within seven days from the receipt by the person assessed of the notification of the tax payable, and if such tax is not paid within such period the provisions of the last preceding section shall apply.

Collection of tax after determination of objection or appeal.

49. Tax may be sued for and recovered in a Court of competent jurisdiction by the Comptroller in his official name with full costs of suit from the person charged therewith as a debt due to the Government of the Colony as well as by the means provided in section 47 of this Law.

Suit for tax by Comptroller.

50.—(1) If in any particular case the Commissioner has reason to believe that a person who has been assessed to tax may leave the Colony before such tax becomes payable without having paid such tax, he may by notice in writing to such person demand payment of such tax within the time to be limited in such notice. Such tax shall thereupon be payable at the expiration of the time so limited and shall in default of payment, unless security for payment thereof be given to the satisfaction of the Commissioner, be recoverable forthwith by suit in the name of the Commissioner, with full costs of suit from the person charged therewith, as well as by the means provided in section 47 of this Law.

Recovery of tax in certain cases.

(2) If in any particular case the Commissioner has reason to believe that tax upon any chargeable income may not be recovered, he may at any time and as the case may require—

- (a) forthwith by notice in writing require any person to make a return and to furnish particulars of any such income within the time to be specified in such notice;
- (b) make an assessment upon such person in the amount of the income returned, or if default is made in making such return or the Commissioner is dissatisfied with such return, in such amount as the Commissioner may think reasonable;
- (c) by notice in writing to the person assessed require that security for the payment of the tax assessed be forthwith given to his satisfaction.

(3) If in any particular case the Commissioner has reason to believe that tax upon any income which would, under the provisions of this Law, become chargeable to such tax in any future year of assessment may not be recovered, he may at any time—

- (a) by notice in writing to the person by whom the tax would be payable determine a period for which tax shall be charged and require such person to render within the time specified therein returns and particulars of such income for that period;

(b) make an assessment upon such person in the amount of the income returned, or if default is made in making a return or the Commissioner is dissatisfied with such return, in such amount as the Commissioner may think reasonable. Such assessment shall be made at the rate of tax and in accordance with the provisions set forth in the Schedule to this Law.

(4) Notice of assessment made in accordance with the provisions of sub-sections (2) and (3) of this section shall be given to the person assessed, and any tax so assessed (in accordance with the provisions of sub-sections (2) and (3) of this section) shall be payable on demand made in writing under the hand of the Commissioner, and shall in default of payment, unless security for the payment thereof be given to the satisfaction of the Commissioner, be recoverable forthwith by suit in the name of the Commissioner, with full costs of suit from the person charged therewith, as well as by the means provided in section 47 of this Law.

Any person who has paid the tax in accordance with a demand made by the Commissioner or who has given security for such payment under sub-sections (2) and (3) of this section shall have the rights of objection and appeal conferred by sections 35 and 36 of this Law, and the amount paid by him shall be adjusted in accordance with the result of any such objection or appeal.

The provisions of sub-sections (2) and (3) of this section shall not affect the powers conferred upon the Commissioner by section 38 of this Law.

NOTICES.

Signature
of notices.

51.—(1) Every notice to be given by the Commissioner under this Law shall be signed by the Commissioner or by some person or persons from time to time appointed by him for that purpose, and every such notice shall be valid if the signature of the Commissioner or of such person or persons is duly printed or written thereon :

Provided that any notice in writing under this Law to any person requiring him to furnish particulars to the Commissioner or any notice under this Law requiring the attendance of any person or witness before the Commissioner, shall be personally signed by the Commissioner or by any person duly authorized by him.

(2) A signature attached to any notice and purporting to be the signature of any person so appointed shall be taken to be the signature of that person until the contrary be shown.

Service of
notices.

52. Notice may be served on a person either personally or by being sent through registered post to his last known business or private address, and shall in the latter case be deemed to have been served, in the case of persons resident in the Colony, not later than the seventh day succeeding the day when posted, and in the case of persons not so resident, not later than the

thirtieth day succeeding the day on which the notice would have been received in the ordinary course by post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

GENERAL.

53. The deductions provided in section 10 and the allowances provided in sections 11 and 13 of this Law shall not be made unless proper accounts, to the satisfaction of the Commissioner, together with a computation showing the assessable profits of the trade, business, profession or vocation are produced to the Commissioner.

Deductions not to be made unless proper accounts kept.

54. Any person—

- (a) who, for the purpose of obtaining any deduction, rebate, reduction or repayment in respect of tax for himself or for any other person, or who in any return, account or particulars made or furnished with reference to tax, knowingly makes any false statement or false representations ; and
- (b) who aids, abets, assists, counsels, incites or induces another person—
 - (i) to make or deliver any false return or statement under this Law, or
 - (ii) to keep or prepare any false accounts or particulars concerning any income on which tax is payable under this Law,

False statements and returns.

shall be guilty of an offence against this Law and shall be liable on conviction to a fine not exceeding one hundred pounds and treble the amount of tax for which he is liable under this Law for the year of assessment in respect of or during which the offence was committed or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

55. Any person who fails or neglects to perform any duty required to be performed under this Law shall be guilty of an offence against this Law.

Failure to perform required duty.

56. Any person guilty of an offence against this Law shall, unless some other penalty is specifically provided for such offence, be liable, on conviction, to a fine not exceeding one hundred pounds, and in default of payment to imprisonment for any term not exceeding six months.

Penalties for offences.

57. The provisions of this Law shall not affect any criminal proceedings under any other Law.

Saving for criminal proceedings.

58. The Governor in Council may remit the whole or any part of the tax payable by any person if he is satisfied that it would be just and equitable to do so by reason of the poverty of such person.

Governor in Council may remit tax on ground of poverty.

Rules.

59.—(1) The Governor in Council may make rules generally for carrying out the provisions of this Law, and may, in particular, by those rules provide—

- (a) for the deduction and payment of tax at the source in respect of emoluments and pensions payable out of the revenue of the Colony;
- (b) for any such matters as are authorized by this Law to be prescribed; and
- (c) for any other matter or thing, whether similar or not to those above mentioned, in respect of which it may be expedient to make rules for the purpose of carrying this Law into execution.

(2) All rules purporting to be made in pursuance of this section shall be published in the *Gazette* and shall come into operation on such publication or at such other time as may be named in such rules.

(3) If any person fails to comply with or contravenes the provisions of any rule made under this Law he shall be guilty of an offence against this Law.

SCHEDULE.
(Section 18.)

SCALE OF RATES OF INCOME TAX PAYABLE ON
CHARGEABLE INCOME.

1.—(a) In the case of individuals—

Category within which the chargeable income falls	Chargeable income		Tax payable		
	in excess of	but not exceeding	£	s.	p.
(1) ..	£ 1	£ 150	..	Nil	
(2) ..	150	175	..	1	0 0
(3) ..	175	200	..	1	10 0
(4) ..	200	250	..	2	10 0
(5) ..	250	300	..	4	10 0
(6) ..	300	350	..	6	10 0
(7) ..	350	400	..	9	0 0
(8) ..	400	450	..	11	10 0
(9) ..	450	500	..	14	0 0
(10) ..	500	550	..	16	10 0
(11) ..	550	600	..	19	0 0
(12) ..	600	650	..	22	0 0
(13) ..	650	700	..	25	0 0
(14) ..	700	750	..	28	0 0
(15) ..	750	800	..	31	0 0
(16) ..	800	850	..	34	0 0
(17) ..	850	900	..	38	0 0
(18) ..	900	950	..	42	0 0
(19) ..	950	1,000	..	46	0 0
(20) ..	1,000	1,100	..	54	0 0
(21) ..	1,100	1,200	..	62	0 0
(22) ..	1,200	1,300	..	72	0 0
(23) ..	1,300	1,400	..	82	0 0
(24) ..	1,400	1,500	..	92	0 0
(25) ..	1,500	1,600	..	110	0 0
(26) ..	1,600	1,700	..	130	0 0
(27) ..	1,700	1,800	..	150	0 0
(28) ..	1,800	1,900	..	175	0 0
(29) ..	1,900	2,000	..	200	0 0

For the remainder of the chargeable income —

	Rate of Tax
on every pound in excess of £2,000 but not exceeding £2,500 ..	5 shillings
on every pound in excess of £2,500 but not exceeding £3,000 ..	6 shillings
on every pound in excess of £3,000 but not exceeding £3,500 ..	7 shillings
on every pound in excess of £3,500 but not exceeding £4,000 ..	8 shillings
on every pound in excess of £4,000 but not exceeding £5,000 ..	10 shillings
on every pound in excess of £5,000 ..	12 shillings

(b) The amount of tax payable by a bachelor or a spinster shall be increased by 50 per centum, but such increase shall not exceed £250 in any one case.

(c) The amount of tax payable in respect of a chargeable income falling within any category shall not exceed the amount of tax which is payable in respect of a chargeable income falling within the next preceding category plus the amount by which the chargeable income exceeds the highest chargeable income which falls within the next preceding category.

2. In the case of companies and all other bodies corporate or unincorporate three shillings and three pence on every pound of chargeable income.

J. V. W. SHAW,
Colonial Secretary.

18th April, 1941.

No. 1 OF 1942.

A LAW TO AMEND THE INCOME TAX LAW, 1941.

C. C. WOOLLEY,
Governor.

[28th January, 1942.]

BE it enacted by His Excellency the Governor and Commander-in-Chief of the Colony of Cyprus as follows :—

Short title. 1. This Law may be cited as the Income Tax (Amendment) Law, 1942, and shall be read as one with the Income Tax Law, 1941, (hereinafter referred to as "the principal Law"), and the principal Law and this Law may together be cited as the Income Tax Laws, 1941 and 1942.

Amendment of section 8 of the principal Law. 2. Section 8 of the principal Law is hereby amended as follows :—

(a) by the deletion of the colon at the end of paragraph (k) and the substitution therefor of a semi-colon ;

(b) by the addition after paragraph (k) of the following paragraph :—

"(l) capital sums accruing to individuals from any payments which are allowable deductions under section 13B of this Law :"

Repeal of section 11 of the principal Law and substitution of a new section in place thereof. 3. Section 11 of the principal Law is hereby repealed and the following section substituted therefor :—

11. In ascertaining the chargeable income of any person engaged in a trade, business, profession or vocation, there shall be allowed :

(a) a deduction of a reasonable amount for the exhaustion and wear and tear of any plant and machinery, and any buildings including employees' dwellings, arising out of the use and employment of such property in the trade, business, profession or vocation during the year immediately preceding the year of assessment ;

(b) in the case of mines a deduction for actual expenditure on shaft sinking and cognate operations which has been capitalized :

Provided that—

(i) the deduction shall be computed for each separate mine,

(ii) the Commissioner is satisfied that the total amount of deduction for each mine is spread over the whole period of the life of the mine in a reasonable manner having regard to variations in productivity,

(iii) that the provisions of this paragraph shall not come into operation until the year of assessment 1943."

4. Paragraph (k) of section 12 of the principal Law is hereby amended by the insertion after the word "nature" of the words "except such payments as are allowed under section 13B of this Law".

Amendment
of section 12
of the
principal
Law.

5. The principal Law is hereby amended by the insertion after section 13 of the following sections :—

Insertion of
new sections
13A and 13B
in the
principal
Law.

"Deduction
for children.

13A.—(1) In ascertaining the chargeable income of any individual who proves to the satisfaction of the Commissioner that he had living, at any time during the year immediately preceding the year of assessment, an unmarried child who at the commencement of that year was either under the age of sixteen or who was receiving full time instruction at any university, college, school or other educational establishment, there shall be allowed a deduction of twenty-five pounds in respect of each such child :

Provided that—

- (a) no deduction shall be allowed in respect of any child whose chargeable income for the year immediately preceding the year of assessment exceeded the amount of the deduction which would otherwise be allowed under this section ;
- (b) in calculating the chargeable income of the child for the purpose of paragraph (a) of this proviso no account shall be taken of any income to which the child is entitled as the holder of a scholarship, bursary or other similar educational endowment ;
- (c) no deduction under this section shall be allowed to any individual in respect of more than three children.

(2) The expression ' child ' in this section includes a step child but does not include an adopted or illegitimate child.

Deduction
in respect of
life insurance
and contri-
butions to
Pensions
and other
Funds.

13B. In ascertaining the chargeable income of any individual who—

- (a) shall have made insurance on his life or the life of his wife with any insurance company ;
or
- (b) shall have made a contribution under a Widows' and Orphans' Pensions Fund or scheme in any Colony ; or
- (c) shall have made a contribution to a pensions, provident or other society or fund which may be approved by the Commissioner subject to such conditions as he may determine,

there shall be allowed a deduction of the annual amount of the premium paid by him for such insurance or contribution as aforesaid ;

Provided—

- (a) that in the case of any policy securing a capital sum on death (whether in conjunction with any other benefit or not) the amount of the deduction allowed shall not exceed seven per centum of that capital sum, exclusive of any additional benefit by way of bonus or otherwise;
- (b) that no such deduction shall be allowed in respect of any such annual amount of premium or contribution beyond an amount equal to one-sixth part of the chargeable income of such person estimated in accordance with the provisions of this Law before making the deductions specified in this section and in section 13A of this Law."

Amendment
of section 29
of the
principal
Law.

6. Section 29 of the principal Law is hereby amended as follows :—

- (a) by the addition at the end of sub-section (1) of the following proviso :—

"Provided that it shall not be necessary for any person to give such notice if, in the year immediately preceding the year of assessment, he rendered a return of income under sub-section (2) of this section."

- (b) by the addition at the end of sub-section (3) of the following proviso :—

"Provided that it shall not be necessary for any employer who rendered, in the year immediately preceding the year of assessment, a return under sub-section (4) of this section to comply with the provisions of this sub-section."

Repeal of
Schedule to
the principal
Law and
substitution
of new
Schedule
therefor.

7. The Schedule to the principal Law is hereby repealed and the Schedule to this Law substituted therefor.

Date of
commence-
ment.

8. This Law shall be deemed to have come into operation on the 1st day of January, 1942.

31

SCHEDULE.
(Section 18).SCALE OF RATES OF INCOME TAX PAYABLE ON
CHARGEABLE INCOME.

1.—(a) In the case of individuals—

Category within which the chargeable income falls	Chargeable income		Tax payable
	in excess of	but not exceeding	
	£	£	£ s. p.
(1) ..	1	150	Nil
(2) ..	150	175	1 0 0
(3) ..	175	200	1 10 0
(4) ..	200	250	3 0 0
(5) ..	250	300	5 10 0
(6) ..	300	350	8 0 0
(7) ..	350	400	11 0 0
(8) ..	400	450	14 0 0
(9) ..	450	500	17 0 0
(10) ..	500	550	20 10 0
(11) ..	550	600	24 0 0
(12) ..	600	650	27 10 0
(13) ..	650	700	31 0 0
(14) ..	700	750	35 0 0
(15) ..	750	800	39 0 0
(16) ..	800	850	43 0 0
(17) ..	850	900	47 10 0
(18) ..	900	950	52 10 0
(19) ..	950	1,000	57 10 0
(20) ..	1,000	1,100	67 10 0
(21) ..	1,100	1,200	77 10 0
(22) ..	1,200	1,300	90 0 0
(23) ..	1,300	1,400	102 10 0
(24) ..	1,400	1,500	115 0 0
(25) ..	1,500	1,600	137 10 0
(26) ..	1,600	1,700	162 10 0
(27) ..	1,700	1,800	187 10 0
(28) ..	1,800	1,900	215 0 0
(29) ..	1,900	2,000	250 0 0

For the remainder of the chargeable income—

		Rate of Tax
on every pound in excess of £2,000 but not exceeding £2,500..	6 shillings	
on every pound in excess of £2,500 but not exceeding £3,000..	7 shillings	
on every pound in excess of £3,000 but not exceeding £3,500..	8 shillings	
on every pound in excess of £3,500 but not exceeding £4,000..	9 shillings	
on every pound in excess of £4,000 but not exceeding £5,000..	10 shillings	
on every pound in excess of £5,000	12 shillings	

(b) The amount of tax payable in respect of a chargeable income falling within any category shall not exceed the amount of tax which is payable in respect of a chargeable income falling within the next preceding category plus the amount by which the chargeable income exceeds the highest chargeable income which falls within the next preceding category.

(c) The amount of tax payable by a bachelor or a spinster shall be increased by 50 per centum, but such increase shall not exceed £250 in any one year.

2. In the case of companies and all other bodies corporate or unincorporate four shillings and four and one half piales on every pound of chargeable income.

28th January, 1942.

J. V. W. SHAW,
Colonial Secretary.

No. 27 OF 1942.

A LAW TO AMEND THE INCOME TAX LAWS, 1941 AND 1942.

C. C. WOOLLEY,]
Governor.

[17th December, 1942.

BE it enacted by His Excellency the Governor and Commander-in-Chief of the Colony of Cyprus as follows:—

Short title.

6 of 1941
1 of 1942

1. This Law may be cited as the Income Tax (Amendment No. 2) Law, 1942, and shall be read as one with the Income Tax Laws, 1941 and 1942, (hereinafter referred to as "the principal Law"), and the principal Law and this Law may together be cited as the Income Tax Laws, 1941 to (No. 2) 1942.

Repeal of
para. (c) of
section 5 of
the principal
Law and
substitution
of new para-
graph.

2. Paragraph (c) of section 5 of the principal Law is hereby repealed and the following paragraph substituted therefor:—

"(c) the annual value of immovable property and improvements thereon used by or on behalf of the owner for the purpose of residence or enjoyment and not for the purpose of gain or profit, such annual value being deemed to be four per centum of the value of such immovable property as assessed for Immovable Property Tax under the Immovable Property Tax Laws, 1932 to 1942. For the purposes of this paragraph a person who is allowed by the owner of premises to occupy them rent free shall be deemed to occupy such premises for and on behalf of the owner thereof;"

18 of 1932
48 of 1934
20 of 1942

Amendment
of section 12
of the prin-
cipal Law.

3. Section 12 of the principal Law is hereby amended by the substitution of a semi-colon for the full-stop at the end of paragraph (k) thereof, and by the addition of the following paragraph:—

"(l) any expenses applicable to the income from immovable property charged under paragraph (c) of section 5 of this Law."

Amendment
of section 19
of the prin-
cipal Law.

4. Section 19 of the principal Law is hereby amended as follows:—

(a) by the deletion from sub-section (1) of the words "be entitled to" which appear in the second line thereof;

(b) by the repeal of sub-section (2) and the substitution of the following sub-section therefor:—

"(2) Every such company shall, upon payment of a dividend, furnish each shareholder with a certificate in a form approved by the Commissioner setting forth the amount of the dividend paid to that shareholder and the amount of tax which the company has deducted in respect of that dividend."

Amendment
of section 20
of the prin-
cipal Law.

5. Section 20 of the principal Law is hereby amended by the deletion of the words "or is entitled to deduct" which appear in the first and second lines thereof.

6. Paragraph (a) of sub-section (2) of section 30 of the principal Law is hereby amended by the insertion after the word "shall", which appears in the ninth line thereof, of the words "when required by the Commissioner".

Amendment
of section 30
of the prin-
cipal Law.

7. Sub-section (2) of section 45 of the principal Law is hereby amended by the deletion therefrom of the word "on", which appears in line 2, and the substitution therefor of the word "or".

Amendment
of section
45 (2) of the
principal
Law.

8. The Schedule to the principal Law is hereby repealed and the Schedule to this Law substituted therefor.

Repeal of
the Schedule
to the prin-
cipal Law
and sub-
stitution of
new
Schedule

9. This Law shall come into operation on the 1st day of January, 1943.

Date of
commence-
ment.

34

SCHEDULE.
SCALE OF RATES OF INCOME TAX PAYABLE ON
CHARGEABLE INCOME.

1.—(a) In the case of individuals—

<i>Category within which the chargeable income falls</i>		<i>Chargeable income</i>		<i>Tax payable</i>		
		<i>in excess of</i>	<i>but not exceeding</i>	£	s.	p.
(1)	..	£ 1	..	£ 150	..	Nil
(2)	..	150	..	175	..	1 0 0
(3)	..	175	..	200	..	1 10 0
(4)	..	200	..	250	..	3 0 0
(5)	..	250	..	300	..	5 10 0
(6)	..	300	..	350	..	9 0 0
(7)	..	350	..	400	..	12 0 0
(8)	..	400	..	450	..	16 0 0
(9)	..	450	..	500	..	20 0 0
(10)	..	500	..	550	..	24 0 0
(11)	..	550	..	600	..	28 0 0
(12)	..	600	..	650	..	32 0 0
(13)	..	650	..	700	..	36 0 0
(14)	..	700	..	750	..	40 0 0
(15)	..	750	..	800	..	45 0 0
(16)	..	800	..	850	..	50 0 0
(17)	..	850	..	900	..	55 0 0
(18)	..	900	..	950	..	61 0 0
(19)	..	950	..	1,000	..	67 0 0
(20)	..	1,000	..	1,100	..	79 0 0
(21)	..	1,100	..	1,200	..	91 0 0
(22)	..	1,200	..	1,300	..	105 0 0
(23)	..	1,300	..	1,400	..	120 0 0
(24)	..	1,400	..	1,500	..	135 0 0
(25)	..	1,500	..	1,600	..	160 0 0
(26)	..	1,600	..	1,700	..	190 0 0
(27)	..	1,700	..	1,800	..	220 0 0
(28)	..	1,800	..	1,900	..	260 0 0
(29)	..	1,900	..	2,000	..	300 0 0

For the remainder of the chargeable income—

Rate of Tax

on every pound in excess of £2,000 but not exceeding £2,500 .. 7 shillings
on every pound in excess of £2,500 but not exceeding £3,000 .. 8 shillings
on every pound in excess of £3,000 but not exceeding £3,500 .. 9 shillings
on every pound in excess of £3,500 but not exceeding £4,000 .. 10 shillings
on every pound in excess of £4,000 but not exceeding £5,000 .. 11 shillings
on every pound in excess of £5,000 13 shillings

(b) The amount of tax payable in respect of a chargeable income falling within any category shall not exceed the amount of tax which is payable in respect of a chargeable income falling within the next preceding category plus the amount by which the chargeable income exceeds the highest chargeable income which falls within the next preceding category.

(c) The amount of tax payable by an individual who on the last day of the year immediately preceding the year of assessment was a bachelor or a spinster shall be increased by 50 per centum, but such increase shall not exceed £350 in any one year.

2. In the case of companies and all other bodies corporate or unincorporate five shillings on every pound of chargeable income.

17th December, 1942.

J. V. W. SHAW,
Colonial Secretary.

No. 22 of 1943.

A LAW TO AMEND THE INCOME TAX LAWS, 1941 TO (No. 2) 1942.

C. C. WOOLLEY,
Governor.

[7th December, 1943.]

BE it enacted by His Excellency the Governor and Commander-in-Chief of the Colony of Cyprus as follows :—

1. This Law may be cited as the Income Tax (Amendment) Law, 1943, and shall be read as one with the Income Tax Laws, 1941 to (No. 2) 1942, (hereinafter referred to as the "principal Law") and the principal Law and this Law may together be cited as the Income Tax Laws, 1941 to 1943. Short title.
6 of 1941
1 of 1942
27 of 1942
2. Section 38 of the principal Law is hereby amended by the deletion therefrom of the words "three years" (line 5) and the substitution therefor of the words "six years". Amendment
of section 38
of the prin-
cipal Law.
3. Sub-section (1) of section 39 of the principal Law is hereby amended by the deletion therefrom of the words "three years" (line 7) and the substitution therefor of the words "six years". Amendment
of section
39 (1) of the
principal
Law.
4. Section 44 of the principal Law is hereby amended by the insertion immediately after sub-section (2) of the following sub-section :— Insertion of
new sub-
section (2a)
in section 44
of the prin-
cipal Law.

"(2a) Where, by virtue or in consequence of any disposition made during the life of the disposer, any income is payable to or for the benefit of any person in any year immediately preceding the year of assessment, the income shall, if at the commencement of that year the person was under the age of eighteen years and unmarried, be treated for the purposes of this Law as the income of the disposer for that year and not as the income of any other person."
5. The Schedule to the principal Law is hereby amended as follows :— Amendment
of the
Schedule to
the principal
Law.
 - (a) by the deletion in sub-paragraph (a) of paragraph 1 of the words from "For the remainder of the chargeable income" to the end of the sub-paragraph and the substitution therefor of the following :—

"For the remainder of the chargeable income — Rate of Tax
on every pound in excess of £2,000 but not exceeding £2,500 . . 9 shillings
on every pound in excess of £2,500 but not exceeding £3,000 . . 10 shillings
on every pound in excess of £3,000 but not exceeding £3,500 . . 11 shillings
on every pound in excess of £3,500 but not exceeding £4,000 . . 12 shillings
on every pound in excess of £4,000 but not exceeding £5,000 . . 13 shillings
on every pound in excess of £5,000 but not exceeding £6,000 . . 14 shillings
on every pound in excess of £6,000 . . 15 shillings"
 - (b) by the deletion in sub-paragraph (c) of paragraph 1 of the figure "£350" and the substitution therefor of the figure "£500";
 - (c) by the deletion in paragraph 2 of the words "five shillings" and the substitution therefor of the words "seven shillings and four and one half piastres".

7th December, 1943.

J. V. W. SHAW,
Colonial Secretary.

No. 7 OF 1944.

A LAW TO AMEND THE INCOME TAX LAWS, 1941 TO 1943.

C. C. WOOLLEY,
Governor.

[24th January, 1944.

BE it enacted by His Excellency the Governor and Commander-in-Chief of the Colony of Cyprus as follows :—

Short title.

6 of 1941
1 of 1942
27 of 1942
22 of 1943

Amendment
of section 2
of the
principal
Law.

1. This Law may be cited as the Income Tax (Amendment) Law, 1944, and shall be read as one with the Income Tax Laws, 1941 to 1943, (hereinafter referred to as "the principal Law"), and the principal Law and this Law may together be cited as the Income Tax Laws, 1941 to 1944.

2. Section 2 of the principal Law is hereby amended by the insertion therein in its proper alphabetical place of the following definition :—

" ' Comptroller ' means the Comptroller of Inland Revenue."

24th January, 1944.

H. M. FOOT,
Colonial Secretary.

No. 43 OF 1944.

A LAW TO AMEND THE INCOME TAX LAWS, 1941 TO 1944.

H. M. FOOT,]

[28th November, 1944.

Officer Administering the Government.

BE it enacted by His Excellency the Officer Administering the Government and Commander-in-Chief of the Colony of Cyprus as follows :—

Short title.

6 of 1941
1 of 1942
27 of 1942
22 of 1943
7 of 1944.

Amendment
of section 40
of the
principal
Law.

1. This Law may be cited as the Income Tax (Amendment No. 2) Law, 1944, and shall be read as one with the Income Tax Laws, 1941 to 1944, (hereinafter referred to as "the principal Law"), and the principal Law and this Law may together be cited as the Income Tax Laws, 1941 to (No. 2) 1944.

2. Section 40 of the principal Law is hereby amended as follows :—

(a) by the substitution of a colon for the full stop appearing at the end of sub-section (1) thereof and the insertion immediately thereafter of the following proviso :—

" Provided that where in the case of any individual but for this proviso the amount of tax payable under this Law after allowance of any relief as aforesaid, when added to the amount of income tax payable in the United Kingdom in respect of the same part of his income after allowance of such relief as is granted by section 27 of the Finance Act,

1920, (which amount is hereinafter referred to as 'the net United Kingdom tax'), would exceed the greater of the amounts of tax which, but for the reliefs aforesaid, would be payable under this Law and in the United Kingdom respectively (which amounts are hereinafter referred to respectively as 'the gross Cyprus tax' and 'the gross United Kingdom tax'), the Commissioner may, if he is satisfied that special hardship would otherwise be caused, grant such additional relief from the tax payable under this Law as he may think fit up to an amount sufficient to reduce the net tax so payable to an amount which, when added to the net United Kingdom tax, will be equivalent to the gross Cyprus tax or the gross United Kingdom tax, whichever is the greater." ;

- (b) by the insertion in sub-section (2) thereof of the words "or the net United Kingdom tax" immediately after the words "United Kingdom tax" (line 4) ;
- (c) by the deletion in sub-section (3) thereof of the word "the" before the word "relief" (line 5) and the substitution therefor of the word "any" .

28th November, 1944.

H. G. RICHARDS,
Acting Colonial Secretary.

No. 7 OF 1946.

A LAW TO AMEND THE INCOME TAX LAWS, 1941 TO (No. 2) 1944.

C. C. WOOLLEY,
Governor.

[12th March, 1946.]

BE it enacted by His Excellency the Governor and Commander-in-Chief of the Colony of Cyprus as follows :—

1. This Law may be cited as the Income Tax (Amendment) Law, 1946, and shall be read as one with the Income Tax Laws, 1941 to (No. 2) 1944, (hereinafter referred to as "the principal Law"), and the principal Law and this Law may together be cited as the Income Tax Laws, 1941 to 1946.

Short title.
6 of 1941
1 of 1942
27 of 1942
22 of 1943
7 of 1944
43 of 1944.

2. Sub-section (1) of section 10 of the principal Law is hereby amended as follows :—

- (a) by the insertion at the end of paragraph (b) thereof of the following proviso :—

"Provided that this paragraph shall not have effect in the case of any plant or machinery replaced on or after the first day of January, 1946 ;"

Amendment
of section
10 (1) of the
principal
Law.

(b) by the insertion immediately after paragraph (c) thereof of the following paragraphs :—

“(ca) any expenditure on scientific research incurred by a person engaged in any trade, business, profession or vocation and proved to the satisfaction of the Commissioner to have been incurred for the use and benefit of the trade, business, profession or vocation :

Provided that any such expenditure of a capital nature, unless it is an expenditure in respect of which a deduction is allowable under section 11 of this Law, shall be spread equally over the year in which it has been incurred and the five succeeding years :

Provided further that no deduction shall be allowed under the provisions of this paragraph in the case of any such expenditure on plant or machinery or buildings, including employees' dwellings, in respect of which any deduction is allowable under section 11 of this Law ;

(cb) any expenditure on patents or patent rights incurred by a person engaged in a trade, business, profession or vocation and proved to the satisfaction of the Commissioner to have been incurred for the use and benefit of the trade, business, profession or vocation :

Provided that any such expenditure of a capital nature shall be spread over the life of the patent or patent rights in a reasonable manner to the satisfaction of the Commissioner :

Provided further that any sums receivable from any sales of such patents or patent rights or any part thereof and all royalties or other income receivable in respect thereof shall be included as chargeable income for the year when receivable.”

Repeal of section 11 of the principal Law and substitution of new section.

3. Section 11 of the principal Law is hereby repealed and the following section substituted therefor :—

“Deductions and additions on account of property used in trade, etc. 11.—(1) In this section—

‘ property ’ means plant and machinery and buildings, including employees' dwellings, owned by a person engaged in a trade, business, profession or vocation and used and employed by such person in such trade, business, profession or vocation or in scientific research proved to the satisfaction of the Commissioner to be for the benefit of such trade, business, profession or vocation.

(2) In ascertaining the chargeable income of any person engaged in a trade, business, profession or vocation, there shall be allowed—

(a) subject to the provisions of this section, a deduction of a reasonable amount for the

exhaustion and wear and tear of property arising out of the use and employment of such property in the trade, business, profession or vocation during the year immediately preceding the year of assessment ;

- (b) in the case of mines, a deduction for actual expenditure on shaft sinking and cognate operations which has been capitalized :

Provided that—

- (i) the deduction shall be computed for each separate mine ;
- (ii) the Commissioner is satisfied that the total amount of the deduction for each mine is spread over the whole period of the life of the mine in a reasonable manner having regard to variations in productivity :

Provided also that the provisions of this paragraph shall apply only as from the year of assessment 1943 ;

- (c) in respect of property acquired on or after the first day of January, 1946—

- (i) where such property consists of plant and machinery first used and employed in the year immediately preceding the year of assessment, an initial deduction of one-fifth of the capital expenditure thereon ;
- (ii) where such property consists of buildings, including employees' dwellings, first used and employed in the year immediately preceding the year of assessment, an initial deduction of one-tenth of the capital expenditure thereon.

(3) Where, under the provisions of this section, any deduction has been allowed in any year of assessment in ascertaining the chargeable income of a person engaged in a trade, business, profession or vocation and any of the following events occurs in the year immediately preceding the year of assessment in the case of any property in respect of which any deduction has been allowed as aforesaid, that is to say, either the property or any part thereof—

- (a) is sold whether still in use or not ; or
 - (b) whether still in use or not ceases to belong to the person carrying on the trade, business, profession or vocation by reason of the coming to an end of a concession, right or privilege granted by the Government of, or other authority in, any territory outside the Colony ;
 - (c) is destroyed ; or
 - (d) is put out of use as being worn out or obsolete or otherwise useless or no longer required,
- and the event in question occurs on or after the first day of January, 1946, and before the trade, business,

profession or vocation is permanently discontinued, the person shall, in the year of assessment, render to the Commissioner, at the same time as he renders his return of income under section 29 of this Law, a statement, (hereinafter referred to as a 'balancing statement'), in respect of the property in question showing the following items, that is to say :—

- (i) the amount of the capital expenditure on the provision thereof; and
- (ii) the total depreciation which has occurred by reason of exhaustion or wear and tear since the date of purchase of such property including the aggregate amount of all deductions previously allowed under the provisions of this section; and
- (iii) the amount of all sale, insurance, salvage or compensation moneys in respect thereof.

(4) In ascertaining the chargeable income of a person who is required under sub-section (3) of this section to render a balancing statement to the Commissioner, a deduction (hereinafter referred to as a 'balancing deduction') shall be allowed or, as the case may be, an addition (hereinafter referred to as a 'balancing addition') shall be made and such balancing deduction or balancing addition shall be calculated by reference to the balancing statement or statements rendered by the person in respect of the year immediately preceding the year of assessment, as follows :—

- (a) the amount of a balancing deduction shall be the amount by which the amount of item (i) of the balancing statement exceeds the sum of the amounts of item (ii) and item (iii) of that statement; or
- (b) the amount of the balancing addition shall be the amount by which the sum of the amounts of item (ii) and item (iii) of the balancing statement exceeds the amount of item (i) of that statement:

Provided that in no case shall the balancing addition exceed the aggregate amount of any deductions previously allowed under the provisions of this section and included in item (ii) of the balancing statement.

(5) Where property, in the case of which any of the events mentioned in sub-section (3) of this section has occurred, is replaced by the owner thereof and a balancing addition falls to be made on him by reason thereof, then, if by notice in writing to the Commissioner he so elects, the following provisions shall have effect, that is to say :—

- (a) if the amount of the balancing addition which would have been made is greater than the capital expenditure on providing the new property—
 - (i) the balancing addition shall be an amount equal to the difference; and

- (ii) no balancing deduction under sub-section (1) of this section and no deduction under sub-section (2) of this section shall be allowed in respect of such new property or the capital expenditure on the provision thereof; and
 - (iii) in considering whether any and, if so, what balancing addition falls to be made in respect of the capital expenditure on providing such new property, the aggregate amount of all deductions, previously allowed in respect of such property under the provisions of this section, shall be deemed to be equal to the full amount of such expenditure;
- (b) if the capital expenditure on providing the new property is equal to, or greater than, the amount of the balancing addition that would have been made—
- (i) the balancing addition shall not be made; and
 - (ii) the amount of any deductions under the provisions of this section shall be calculated as if the capital expenditure on providing such new property had been reduced by the amount of the balancing addition; and
 - (iii) in considering whether any and, if so, what balancing deduction or balancing addition falls to be made in respect of the capital expenditure on providing such new property, the aggregate amount of all deductions, previously allowed in respect of such property under the provisions of this section, shall be deemed to have been increased by an amount equal to the amount of the balancing addition that would have been made.
- (6)—(a) Where a person has delivered a balancing statement, the Commissioner may—
- (i) accept the statement and make a balancing deduction or addition accordingly; or
 - (ii) refuse to accept the statement and, to the best of his judgment, determine the amount of the balancing deduction or addition and make a balancing deduction or addition accordingly;
- (b) for the purposes of this section—
- (i) the capital expenditure on providing any property shall be the amount which, in the opinion of the Commissioner, such property would have cost if bought in the open market at the time it was provided;
 - (ii) the sale moneys in respect of any property sold shall be the amount which, in the opinion of the Commissioner, such property would have fetched if sold in the open market at the time it was sold.”

Insertion of
new section
12A in the
principal
Law.

4. The principal Law is hereby amended by the insertion therein immediately after section 12 of the following section :—

“ Valua-
tion of
trading
stock on
discontinu-
ance of
trade, etc.

12A.—(1) In computing, for the purposes of this Law, the chargeable income of any person engaged in a trade, business, profession or vocation which has been discontinued in the year immediately preceding the year of assessment, any trading stock belonging to the trade, business, profession or vocation at the discontinuance thereof shall be valued as follows :—

(a) in the case of any such trading stock—

(i) which is sold or transferred for valuable consideration to a person who carries on or intends to carry on a trade, business, profession or vocation in the Colony ; and

(ii) the cost whereof may be deducted by the purchaser as an expense in computing, for the purposes of this Law, the chargeable income of that trade, business, profession or vocation,

the value thereof shall be taken to be the amount realized on the sale or the value of the consideration given for the transfer ;

(b) in the case of any other such trading stock, the value thereof shall be taken to be the amount which it would have realized if it had been sold in the open market at the discontinuance of the trade.

(2) The provisions of this section shall not apply in a case where a trade, business, profession or vocation carried on by a single individual is discontinued by reason of his death.

(3) For the purposes of this section, the expression ‘ trading stock ’ in relation to any trade, business, profession or vocation means property of any description, whether movable or immovable, being either—

(a) property such as is sold in the ordinary course of trade or would be so sold if it were mature or if its manufacture or construction were complete ;
or

(b) materials such as are used in the manufacture, preparation or construction of any such property as is referred to in the last foregoing paragraph.”

Date of
commence-
ment.

5. This Law shall be deemed to have come into operation on the first day of January, 1946.

12th March, 1946.

R. E. TURNBULL,
Colonial Secretary.

THE INCOME TAX LAW, 1941.

RULES MADE UNDER SECTION 59.

W. D. BATTERSHILL,
Governor.

I, the Governor in Council, in exercise of the powers conferred by section 59 of the Income Tax Law, 1941, do hereby make the following rules :—

1. These rules may be cited as the Income Tax (Notice and Returns to Commissioner) Rules, 1941.

2. The notice required to be given to the Commissioner under sub-section (1) of section 29 of the Income Tax Law, 1941, by every person chargeable with tax, shall be given by the 30th day of April in every year.

3. The notice to be given to the Commissioner under sub-section (3) of section 29 of the Income Tax Law, 1941, by every employer liable to render a return under sub-section (4) of section 29 of the said Law of persons employed by him, shall be given by the 30th day of April in every year.

Made in Council, this 18th day of April, 1941.

N. D. WATSON,
Clerk of the Executive Council.

THE INCOME TAX LAW, 1941.

RULES MADE UNDER SECTION 59.

W. D. BATTERSHILL,
Governor.

I, the Governor in Council, in exercise of the powers conferred by section 59 of the Income Tax Law, 1941, do hereby make the following rules :—

1. These rules may be cited as the Income Tax (Declaration for Secrecy) Rules, 1941.

2. The declaration to be made and subscribed under section 4 of the Income Tax Law, 1941, by every person having any official duty or being employed in the administration of the said Law shall be in the form set out in the Schedule hereto.

SCHEDULE.

The Income Tax Law, 1941.

DECLARATION UNDER SECTION 4.

I,....., of....., of the Income Tax Department of the Cyprus Treasury do solemnly, sincerely and truly declare that I will regard and deal with all documents, information, returns, assessment lists, and copies of such lists relating to the income or items of income of any person, as secret and confidential, and that I will not at any time communicate or attempt to communicate such information or anything contained in such documents, returns, lists or copies to any person other than a person to whom I am authorized by the Governor to communicate it or otherwise than for the purposes of the Income Tax Law, 1941.

Signature.....

Declared before me at Nicosia, this....day of....., 1941..

.....*District Judge.*

Made in Council, this 29th day of April, 1941.

(M.P. 1583/39/2.)

J. A. C. CRUIKSHANK,
Acting Clerk of the Executive Council.

THE INCOME TAX LAWS, 1941 AND 1942.

RULES MADE UNDER SECTION 59.

C. C. WOOLLEY,
Governor.

I, the Governor in Council, in exercise of the powers conferred by section 59 of the Income Tax Laws, 1941 and 1942, and of every other power hereunto enabling, do hereby make the following rules:—

Gazette :
Supplement
No. 3 :
19.4.1941.

1. These rules may be cited as the Income Tax (Notice and Returns to Commissioner) (Amendment) Rules, 1942, and shall be read as one with the Income Tax (Notice and Returns to Commissioner) Rules, 1941, (hereinafter referred to as "the principal Rules"), and the principal Rules and these rules may together be cited as the Income Tax (Notice and Returns to Commissioner) Rules, 1941 and 1942.

2. Rule 2 of the principal Rules is hereby amended by the deletion therefrom of the words "30th day of April" and the substitution therefor of the words "28th day of February".

3. Rule 3 of the principal Rules is hereby amended by the deletion therefrom of the words "30th day of April" and the substitution therefor of the words "28th day of February".

Made in Council, this 28th day of January, 1942.

N. D. WATSON,
Clerk of the Executive Council.
(M.P. 1583/39/3.)

THE INCOME TAX LAWS, 1941 TO (No. 2) 1942.

RULES MADE UNDER SECTION 59.

C. C. WOOLLEY,
Governor.

I, the Governor in Council, in exercise of the powers conferred by section 59 of the Income Tax Laws, 1941 to (No. 2) 1942, do hereby make the following rules:—

1. These rules may be cited as the Income Tax (Dates of Payment) Rules, 1943.

2. Save as provided in rule 3 of these rules Income Tax shall be payable by the 1st day of November in the year of assessment.

3. Income Tax payable by a person in receipt of emoluments or pension payable out of the revenue of the Colony shall be paid—

- (a) if such person resides in the Colony, by the deduction from the emoluments or pension payable to such person in respect of each of the months of April, May, June, July, August, September, October, November and December, in the year of assessment, of a sum equal to one-ninth of the total amount of the tax payable by such person in that year in respect of such emoluments or pension;
- (b) if such person does not reside in the Colony, by the deduction of the whole amount of the tax payable by such person in the year of assessment, in respect of such emoluments or pension, from the emoluments or pension payable to such person in respect of the month next following the month in which a notice of the amount of the tax payable by such person in that year has been given by registered post.

4. Income Tax payable in respect of Additional Assessments shall be payable within thirty days after the service of a Notice of Assessment.

5. The Income Tax (Dates of Payment) Rules, 1941, are hereby revoked.

*Gazette :
Supplement
No. 3
7.8.1941.*

Made in Council, this 31st day of January, 1943.

(M.P. 796/41.)
N. D. WATSON,
Clerk of the Executive Council.

THE INCOME TAX LAWS, 1941 TO 1944.

RULES MADE UNDER SECTION 59.

C. C. WOOLLEY,
Governor.

I, the Governor in Council, in exercise of the powers conferred by section 59 of the Income Tax Laws, 1941 to 1944, do hereby make the following rules :—

1. These rules may be cited as the Income Tax (Dates of Payment) (Amendment) Rules, 1944, and shall be read as one with the Income Tax (Dates of Payment) Rules, 1943, (hereinafter referred to as "the principal Rules"), and the principal Rules and these rules may together be cited as the Income Tax (Dates of Payment) Rules, 1943 and 1944.

*Gazette :
Supplement
No. 3:
11.2.1943.*

2. Rule 2 of the principal Rules is hereby amended by the deletion from the second line thereof of the word "November" and the substitution therefor of the word "December".

Made in Council, this 8th day of February, 1944.

(M.P. 796/41.)

THE INCOME TAX (APPEALS AGAINST ASSESSMENTS) RULES OF COURT, 1945.

These rules, made by the Chief Justice in exercise of the powers vested in him by section 36 of the Income Tax Laws, 1941 to (No. 2) 1944, (hereinafter referred to as "the Law"), may be cited as the Income Tax (Appeals against Assessments) Rules of Court, 1945, and shall come into force on the 1st day of December, 1945.

PART I.—APPEALS.

1. Every notice of appeal shall be, as nearly as may be, in the form prescribed in Appendix A to these rules and shall be filed with the Chief Registrar, within the time specified in the Law, together with a copy of the refusal of the Commissioner to amend the assessment as desired; and every notice of appeal shall be signed by the appellant or by his advocate, shall state his address for service in Nicosia, and shall specify the grounds upon which the appeal is founded.

2. Thirty days' notice of the date fixed for the hearing of an appeal shall be given to the appellant or left at his address for service in Nicosia by the Chief Registrar, and the appellant shall give twenty-one days' notice thereof to the Commissioner.

3. Either party may apply for a date to be fixed for the hearing of the appeal. If neither the appellant nor the Commissioner applies within three months of the lodging of the notice of appeal for a date to be fixed for the hearing of the appeal, the appeal shall stand dismissed, but may, if the Judge in Chambers deems fit, be reinstated upon such terms as the Judge may consider to be just.

4. On the hearing of the appeal the appellant may be examined on oath or tender other lawful evidence in support of his appeal.

5. The Commissioner or any other officer or person appointed under section 3 of the Law may attend every appeal and shall be entitled to be present during all the time of the hearing and produce any lawful evidence and give reasons in support of the assessment.

6. Upon any appeal the Judge in Chambers may permit any advocate to plead before him on behalf of the appellant or the Commissioner either *viva voce* or in writing.

7. The procedure to be followed on the hearing of any appeal under the Law shall be, as nearly as possible, the same as the procedure followed on the hearing of any civil appeal; and the rules relating to civil proceedings shall apply to any matter arising out of a proceeding under the Law or these rules for which provision is not made therein.

8. The Chief Registrar shall keep a book in which particulars of all notices filed under rule 1 shall be entered and every such notice shall be given a serial number.

PART II.—CASE STATED.

9. Immediately after the determination by the Judge of an appeal under section 36 of the Law, the appellant or the Commissioner, if dissatisfied with the determination, as being erroneous in point of law, may declare his dissatisfaction to the Judge who heard the appeal.

10. Having declared his dissatisfaction, he may, within seven days after the determination, by notice in writing addressed to the Chief Registrar, require the Judge to state and sign a case for the opinion of the Supreme Court. (*Appendix B*).

11. The case shall set forth the facts and the determination of the Judge; and the party requiring it shall transmit the case, when stated and signed, to the Chief Registrar within fifteen days after receiving the same. (*Appendix C*).

12. At or before the time when he transmits the case to the Chief Registrar the party requiring it shall send notice in writing of the fact that the case has been stated on his application, together with a copy of the case, to the other party.

13. The party applying for a case stated shall, when transmitting the case to the Chief Registrar, accompany it with two typewritten copies thereof for the use of the Judges of the Supreme Court.

14. Where, on his own motion, the Judge in Chambers states a case for the opinion of the Supreme Court, the Chief Registrar shall serve on either party a typewritten copy of the case stated, together with a notice of the date fixed for the hearing of such case stated before the Supreme Court.

15. The Supreme Court shall hear and determine any question or questions of law arising on the case, and may reverse, affirm or amend the determination in respect of which the case has been stated, or may remit the matter to the Judge in Chambers with the opinion of the Supreme Court thereon, or may make such other order in relation to the matter, and such order as to costs, as to the Court may seem fit.

16. The Supreme Court may cause the case to be sent back for amendment and thereupon the case shall be amended accordingly, and judgment shall be delivered after it has been amended.

17. The fees set forth in Appendix D shall be charged in respect of proceedings under the Law and these rules.

18. The Income Tax (Appeals against Assessments) Rules of Court, 1941, are hereby revoked.

Given under the hand of the Chief Justice at Nicosia, this 20th day of November, 1945.

E. ST. J. JACKSON,
Chief Justice.

APPENDIX A.

NOTICE OF APPEAL.

In the Supreme Court.

Before a Judge in Chambers.

In the matter of section 36 of the Income Tax Laws, 1941 to (No. 2)
1944,

and

In the matter of (a).....
of (b).....*Appellant.*

To the Commissioner of Income Tax,

I (a).....being aggrieved by your
assessment of my income for the year commencing on the 1st January,
194...., No..... and dated.....194...., by which the
income tax payable by me amounted to £.....; and
having failed to agree with you regarding the amount at which I am
liable to be assessed in respect of the above-mentioned year, hereby
give you notice that I appeal against the said assessment.

My appeal is against (c)

The grounds of my appeal and the reasons therefor are as follows :—

A copy of the notification of the refusal of the Commissioner of Income
Tax to amend the assessment as desired is attached. (d).

The appellant's address for service in Nicosia is (e) :

Dated the..... Signature of Appellant or his Advocate.

(a) Insert full name of Appellant.

(b) Insert full address of Appellant.

(c) State whether the appeal is against the whole of the assessment or which
part of the assessment.

(d) The notice of appeal will not be accepted by the Supreme Court Registry
unless this document is attached.

(e) The full postal address for service IN NICOSIA must be stated.

APPENDIX B.

In the Supreme Court.

In the matter of section 36 of the Income Tax Laws, 1941 to (No. 2)
1944,

and

In the matter of (a).....
of (b).....

(c).....of (d)..... *Applicant.*

To the Chief Registrar,

Whereas I, the undersigned, a party to the above-described proceed-
ings heard and determined by Mr. Justice.....
on....., am dissatisfied with his determination
thereof as being erroneous in point of law.

Now, therefore, I apply to Mr. Justice.....
to state and sign a case setting forth the facts and grounds of such
determination for the opinion of the Supreme Court.

The points of law which I should like to raise are :—

(Set out points of Law)

The applicant's address for service in Nicosia is :

Dated the..... Signature of Applicant or his Advocate.

(a) Insert the full name of appellant in the appeal.

(b) Insert the full address of appellant in the appeal.

(c) Insert the full name of applicant.

(d) Insert the full address of applicant.

APPENDIX C.

CASE STATED.

In the Supreme Court.

In the matter of section 36 of the Income Tax Laws, 1941 to (No. 2) 1944,

and

In the matter of (a).....
of (b)
(c).....of (d)..... *Applicant.*

Statement of Case by..... Judge, Supreme Court, relative to his determination of the appeal in the above proceedings, dated....., 194....., an application for such case having been made by the..... on the....day of....., 194.....

1. The appeal was determined by me as follows :—

(set out result of appeal)

2. The facts found by me were : *(set out facts as far as may be necessary to raise point of law).*

3.—(a) It was thereupon contended on the part of the appellant that *(set out contentions).*

(b) In support of these contentions my attention was directed to *(set out authorities cited on behalf of the appellant).*

4.—(a) On behalf of the Commissioner it was contended that *(set out contentions).*

(b) In support of these contentions my attention was directed to *(set out authorities cited on Commissioner's behalf).*

5. I, being of opinion that *(state the ground on which the case was decided)* held that *(state the determination).*

Dated the..... Judge, Supreme Court.

APPENDIX D.

The following fees shall be paid in stamps to be disposed of as directed in each case :—

1. On filing copy of the notice of appeal (to be affixed to the notice of appeal filed with the Chief Registrar)	£ s. p.
2. On an application to state a case (to be affixed to the application)	1 0 0
3. On entering any order of the Judge or the Supreme Court (to be affixed in book in which order is entered)	1 0 0
4. On swearing and filing affidavits, issuing summons to witnesses, for service of documents, furnishing copies of proceedings	— 10 0

Same fees as in civil proceedings relating to claims of more than £25 to be paid in stamps and disposed of as in civil proceedings.

None of the above fees shall be charged in respect of a proceeding taken on behalf of the Commissioner of Income Tax.

(M.P. 1077/41.)